

FISCAL NOTE

TO: Chief Clerk of the Senate
Chief Clerk of the House

FROM: James A. Davenport, Executive Director

DATE: February 26, 1996

SUBJECT: **SB 2677 - HB 2451**

This bill, if enacted, will allow payment of property taxes by electronic funds transfer in certain counties. The bill also changes the interest rate to be paid on refunds or underpayments of such taxes from *the composite prime rate* to *two points below the composite prime rate*.

The fiscal impact from enactment of the provision of this bill related to electronic funds transfer in and of itself is minimal since this provision is permissive.

The fiscal impact from enactment of this bill is estimated to be an increase in local government expenditures to the extent that local governments choose to accept payments in this manner and find it necessary to make revisions to existing systems. Such increase cannot be determined but is estimated to be not significant.

The fiscal impact from enactment of the provision of this bill related to the interest rate is estimated to be a decrease in local government expenditures of approximately \$400,000 due to decreased interest being paid on refunds.

The fiscal impact from enactment of this bill is also estimated to be that local governments forego revenues to the extent that taxpayers pay only the undisputed amount of tax, lose the appeal and are required to pay interest on the tax due. The amount of such foregone revenue cannot be determined but is estimated to be not significant.

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James A. Davenport". The signature is written in a cursive style with a large, stylized initial "J".

James A. Davenport, Executive Director